

Washington, D.C. - Following Congress' swift and bipartisan passage of an economic stimulus bill, Congresswoman Melissa Bean (IL-08) urged the Senate to address the ongoing crisis in the sub-prime mortgage market that first triggered the slowdown.

"The problems in the mortgage market are draining confidence and credit out of our economy," Bean said. "So far we're bailing water, now we have to plug the leak."

"I'm proud to see that the House, the Senate and the President could work together thoughtfully toward swift passage of the stimulus bill. However, the Senate has not yet passed the mortgage reforms that we passed in the House even earlier than the stimulus bill.

"This has to be the next thing Congress puts in front of the President in terms of dealing with the economy," Bean said. "Then instead of just reacting to a faltering economy, we're addressing root causes."

Three bills meant to strengthen accountability and oversight while improving access to credit have passed the House and await action in the Senate.

- **H.R. 3915, The Mortgage Reform and Anti-Predatory Lending Act:** This bill, which Bean helped introduce, provides better consumer protections, simpler disclosures and greater market certainty to the mortgage market. The bill will discourage riskier loan practices and offerings like negative amortization, deceptive teaser ARMs and excessive prepayment penalties. It sets minimum underwriting standards for all mortgages and enhances consumer protections for borrowers of high-cost loans and for renters of foreclosed properties. It requires licensing and registration of all mortgage originators and adds \$31 million in resources for investigation of mortgage fraud. It passed the House by a margin of 291 to 127 on November 15, 2007.

- **H.R. 1852, The Expanding American Homeownership Act:** The legislation updates the Federal Housing Administration (FHA) so it can serve more sub-prime borrowers at affordable rates and terms. It directs the FHA to make refinancing loans available to existing qualified homeowners who are in default or at risk of default due to rate resets or mortgage market conditions, and to authorize lower down payments for such purpose. It passed the House with Bean's support by a

margin of 348 to 72 on September 18, 2007.

- H.R. 1427, The Federal Housing Finance Reform Act: The bill increases regulation and oversight of Fannie Mae and Freddie Mac, the government-sponsored enterprises (GSEs) which provide liquidity to the mortgage markets, and of the Federal Home Loan Bank system. It increases loan eligibility in high-cost areas of the country to 150 percent of the conforming loan limit or the median home price. It eliminates arbitrary limits on the portfolio cap, allowing Fannie and Freddy to increase their portfolio of loans – stabilizing the market – while meeting the safety and soundness requirements of their federal regulator. The bill passed the House with Bean's support by a margin of 313 to 104 on May 22, 2007. In the meantime, Bean has introduced H.R. 3777, The Protecting Access to Safe Mortgages Act, which would increase portfolio limits of the GSEs by 10 percent for one year so they can inject more liquidity in the mortgage market.

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